

CONTRACT REVIEW SHEET

Person Sending:	Department Name: <i>General Services</i>
Date Sent:	

The attached: (CIRCLE ONE)
 Contract Amendment #____ Grant Lease

RECEIVED

OCT 03 1997

INCOMING FUNDS? YES NO (CIRCLE ONE)

If incoming funds you must attach a Revenue Management Sheet

RISK MANAGEMENT

Contractors Name:	<i>Peace Kelly Const Inc</i>		
Date From:	<i>9/29/97</i>	Date To:	<i>12/31/97</i>
Amount of Contract or Amendment: <i>67,687.13 + fee for services</i>			
If an Amendment, New Contract Total = \$n/a			
Certificates of Insurance Attached:	Liability (circle one) Yes <input checked="" type="radio"/> No <input type="radio"/>	Workers Comp (circle one) Yes <input checked="" type="radio"/> No <input type="radio"/>	If no insurance attached, why not? <i>requested -</i>

Description of Contract Services:

Consultation Services - Courthouse Square

For Risk Management Use			
Date Risk Received: _____	Date Scheduled on BOC Agenda: <i>10/1/97</i>		
Authorization for Health Administration to sign on behalf of BOC: yes <input checked="" type="radio"/> no <input type="radio"/>	Additional Comments: _____ _____ _____		
Staff Review Signatures:			
<i>[Signature]</i> Risk Management _____ date	Fiscal Services _____ date <i>Jan Ellen Stronig</i> 3 October 1997		
General Services _____ date	Legal Counsel _____ date		

Date: _____
 Returned to Department/_____ for _____ signatures _____
 Copy to Fiscal Services _____ / _____

INTERIM AGREEMENT FOR GENERAL CONTRACTOR CONSULTATION SERVICES

Agreement made, effective as of September 29, 1997 by and between Marion County, a political subdivision and body politic of the state of Oregon, and the Salem Area Mass Transit District, a political subdivision and body politic of the state of Oregon, hereinafter referred to as "Owner", and Pence/Kelly Construction, Inc., an Oregon corporation, hereinafter referred to as "Contractor".

The parties recite, declare and agree as follows:

1. Owner owns Block 5, SALEM, Marion County, Oregon. Owner intends to build a mixed use facility on the real property generally consisting of underground parking facilities, a transit center, administrative offices for Owner, and a commercial retail site to be leased to private parties for development of retail and other private facilities. The project is known as Courthouse Square.
2. The project is undergoing substantial redesign. Owner needs consultation services of a general contractor. Contractor has provided similar services for the original design of the project, and wishes to continue in a consultative role. Owner wishes to retain the consulting services of Contractor.
3. Owner and Contractor acknowledge and agree that for services rendered through May 31, 1997, Owner has paid Contractor the sum of \$ 67,687.13, which amount is payment in full for services rendered to that date. The parties have no further commitment to each other, except as set forth in this agreement.
4. Both parties expect to negotiate an agreement retaining Contractor to act as general contractor for construction of the project. Both parties shall negotiate, in good faith with the Contractor, the terms of a construction contract by November 15, 1997. Both parties expect construction to begin on or about January 1, 1998, and to be completed within 18 months of the authorization to start. Both parties expect the GMP to be submitted to Owner by December 12, 1997. The GMP shall contain a fee of 4.75%, including preconstruction fees.

Contractor understands that Owner has retained a project management company (Melvin Mark Development Co., MMDC) to independently review cost estimates and GMP. Contractor understands that Owner is under no obligation to sign final construction agreements with Contractor unless the parties can reach mutual agreement on the terms of such agreements, including an acceptable GMP within the budget and financing capabilities of Owner as determined by Owner.

- a. The parties agree that all of the amounts paid or payable to Contractor for services rendered on and after June 1, 1997 are subject to the following:

- (1) The Contractor shall submit to MMDC monthly statements detailing services and expenses in accordance with the following rate schedule:

Principal	\$130.00/hr
Senior PM	\$ 75.00/hr
Project Manager	\$ 65.00/hr
Superintendent	\$ 65.00/hr
Project Engineer	\$ 55.00/hr
Estimator	\$ 50.00/hr
Controller	\$ 75.00/hr
Office Staff	\$ 35.00/hr

- (2) In the event the Owner does not sign a final construction contract with Contractor, the Owner agrees to pay Contractor the amounts due, not to exceed \$70,000, for pre-construction services rendered between June 1, and December 31, 1997.
- (3) If the proposed GMP, required by this agreement, is acceptable to the owner and included in a final construction contract retaining Contractor as the general contractor, the amount due under paragraph 2 above, shall be waived. It is understood that the GMP includes building construction costs and Contractor's fee @ 4.75% which includes preconstruction services)
- b. In the event the GMP is not acceptable to the owner, the Owner shall negotiate first with Contractor before soliciting public bids for a replacement Contractor. For the purposes of this paragraph, a comparison of the Contractor's GMP shall not include preconstruction service fees. If the parties cannot reach mutually acceptable terms, Owner may proceed to solicit other general contractors after ten (10) days' prior written notice to Contractor. During the ten (10) day notice period, Contractor may submit a final offer, which Owner shall accept or reject before proceeding to solicit other general contractors.

5. The project is funded in part by a grant from the FTA. It is understood that the final construction agreement is subject to FTA contract requirements imposed upon Owner, and will be incorporated by this reference in the final contract, if executed.

In consideration of the above recitals, the terms and covenants of this agreement, and other valuable consideration, the receipt of which is acknowledged, the parties agree as follows:

6. Contractor agrees to provide pre-construction services as a consulting general contractor with that standard of care, skill and diligence normally provided by a professional individual in the performance of similar services. The work to be performed includes the following:

- a. Consult with Owner to ascertain the requirements of the project and confirm such requirements to Owner.
 - b. Provide value engineering services, including but not limited to design review, construction ability, standard industry practice and materials procurement, and recommendations to improve design and construction of the project.
 - c. Assist Owner and Owner's architect and project manager in preparation of schematic, design development and construction documents.
 - d. Submit to Owner statements of the probable construction cost of the project as designed, including any changes in cost resulting from requirements or general market conditions, from time to time as reasonably necessary to expedite preparation of final construction documents and estimated GMP.
 - e. Submit to Owner a GMP based upon advanced design development documents, which Owner may use in evaluating feasibility of the project, unit pricing for construction of the project and other information which Owner may require to determine the project design and cost. In the event Owner does not execute a final contract with Contractor, the cost elements of the GMP (unit pricing) will remain confidential.
7. Contractor shall provide engineering or other technical assistance through employment of outside consultants (subcontractors) only with the prior written request and approval of Owner. Said request and approval shall disclose the cost and terms of such subcontract, but no such approval by Owner shall create any contractual obligations from Owner to any such subcontractor and no such subcontractor shall be a third party beneficiary of this agreement or any final agreement for general contractor services. Any requested and approved outside services shall be paid outside the GMP.
8. Unless sooner terminated by Owner, this agreement shall remain in force for a period of time reasonably required to complete construction documents and to arrive at a final estimated GMP within Owner's budget.
9. Owner may terminate this agreement at any time by a notice in writing to Contractor. If this agreement is terminated, Contractor shall deliver to Owner all finished and unfinished documents, data, studies, and reports prepared by Contractor under and pursuant to this agreement, and these shall become the property of Owner. Contractor shall retain the right to use the documents, data, studies and reports for subsequent bids, on this, or other projects. Payment shall be made by Owner for all the work performed before the effective date of such termination under the terms of this agreement. Such payment shall be in full settlement for services rendered under and pursuant to this agreement.

10. The parties will not assign or transfer this agreement, nor any interest in this agreement.

11. This agreement shall be governed by the laws of the state of Oregon. Any action commenced in connection with this agreement shall be commenced in the district or circuit court of Marion County.

12. Contractor shall maintain at all times commercial general liability insurance, and property damage/automobile insurance in amounts not less than: \$100,000 property damage per claimant, \$200,000 all other claims per claimant, and \$500,000 all claims. Contractor shall obtain and maintain at all times during the term of this agreement, worker's compensation insurance with statutory limits and employer's liability insurance. Contractor shall save harmless, indemnify and defend owner from any and all claims, damages, losses, and expenses including but not limited to reasonable attorney's fees arising from or resulting from Contractor's performance of or failure to perform the obligations of this agreement, to the extent the same are caused by the negligence or misconduct of Contractor or its employees or agents.

13. Contractor shall comply with all applicable Federal, State and local laws, rules and regulations, including all applicable provisions of ORS 279.310 through 279.430, which are incorporated herein by this reference.

14. This agreement constitutes the entire agreement between the parties. No modification of this agreement is binding on either party unless the modification is in writing, and signed by the parties.

15. All work, including but not limited to documents, drawings, cost estimates and photographs, performed or produced by Contractor under this agreement shall be the property of Owner. In the event Owner uses work produced under this agreement in conjunction with construction agreements, other than those executed with the Contractor, Owner shall indemnify, defend and hold harmless the Contractor from any legal action therefrom. Contractor shall retain a nonexclusive right to use the work. Contractor shall transfer to Owner copies of data or other tangible property generated by Contractor under this agreement and necessary for the beneficial use of the work covered by this agreement.

CONTRACTOR:

MARION COUNTY BOARD OF COMMISSIONERS

~~by~~ *Chris Lane* *Randall Franke* 10/1/97

title President

Mary Pearson
Gary Dees

SALEM AREA MASS TRANSIT DISTRICT

APPROVED AS TO FORM:

by *Agon*

title GENERAL MANAGER

Tim Allen Strickland
County Legal Counsel

Blavinka
County Contracts Coordinator

Ben Ishai
Transit Legal Counsel

pkag9/rc

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

10/06/97

PRODUCER

A.G. Sadowski Company
1395 Liberty Street S.E.

Salem, Or 97302
(503) 362-2711
FAX: 503-362-2837

INSURED

Pence/Kelly Construction, Inc.
OR. REG. #63435
2747 PENCE LOOP S. E.
Salem, OR 97302
(503) 399-7223

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** North Pacific Insurance Company
COMPANY LETTER **B** R L I INSURANCE COMPANY
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	CO6 11-85-82	04/01/97	04/01/98	GENERAL AGGREGATE \$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$1,000,000
	<input checked="" type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY	CO6 11-85-82	04/01/97	04/01/98	COMBINED SINGLE LIMIT \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
B	EXCESS LIABILITY	OUL 025441	04/01/97	04/01/98	EACH OCCURRENCE \$4,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$4,000,000
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		/ /	/ /	STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
A	OTHER CONTRACTORS EQUIPMENT	CO6 11-85-82	04/01/97	04/01/98	SCHEDULED EQUIPMENT \$274,000 DEDUCTIBLE \$ 500

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

VERIFICATION OF INSURANCE**CERTIFICATE HOLDER**

MARION COUNTY
ATTN: ELYN LYON
100 HIGH STREET
SALEM, OR 97302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



CERTIFICATE OF INSURANCE**COMPANY:**

SAIF Corporation
Salem Office
400 High Street
Salem, OR 97312

THIS CERTIFICATE IS ISSUED AS A MATTER OF
INFORMATION ONLY AND CONFERS NO RIGHTS TO THE
CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT
AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED
BY THE POLICIES BELOW.

INSURED:

Pence/kelly Construction Inc
2747 Pence Lp SE
Salem, OR 97302

THE POLICY OF INSURANCE LISTED BELOW HAS BEEN ISSUED TO THE INSURED NAMED ABOVE
FOR THE POLICY PERIOD INDICATED. THE INSURANCE AFFORDED BY THE POLICY DESCRIBED
HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICY.

POLICY NO.	POLICY EFF DATE	POLICY EXP DATE	LIABILITY LIMITS
810215	10/01/1997	09/30/1998	(in thousands)

WORKERS' COMPENSATION**STATUTORY**

\$100	(each accident)
\$100	(each employee)
\$500	(Disease, Policy)

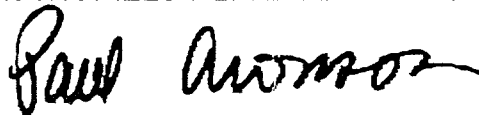
OTHER COVERAGE AFFORDED:

DESCRIPTION OF OPERATIONS/LOCATIONS/SPECIAL ITEMS: Courthouse Square - Transit

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED
POLICIES BE CANCELED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING
COMPANY WILL ENDEAVOR TO MAIL 30 DAYS'
WRITTEN NOTICE TO THE CERTIFICATE HOLDER
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OF LIABILITY OF ANY KIND UPON THE COMPANY,
ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE:

**CERTIFICATE HOLDER:**

Marion County
100 High St. Rm. 5320
Salem, OR 97305

Issue Date (October 7, 1997)

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

10/06/97

PRODUCER

A.G. Sadowski Company
1395 Liberty Street S.E.

Salem, Or 97302
(503) 362-2711
FAX: 503-362-2837

INSURED

Pence/Kelly Construction, Inc.
OR. REG. #63435
2747 PENCE LOOP S. E.
Salem, OR 97302
(503) 399-7223

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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** North Pacific Insurance Company

COMPANY LETTER **B** R & I INSURANCE COMPANY

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	CO6 11-85-82	04/01/97	04/01/98	GENERAL AGGREGATE \$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$1,000,000
	<input checked="" type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Anyone person) \$ 5,000
A	AUTOMOBILE LIABILITY	CO6 11-85-82	04/01/97	04/01/98	COMBINED SINGLE LIMIT \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
B	EXCESS LIABILITY	OUL 025441	04/01/97	04/01/98	EACH OCCURRENCE \$4,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$4,000,000
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		/ /	/ /	STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER		/ /	/ /	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**VERIFICATION OF INSURANCE**

CERTIFICATE HOLDER IS ADDITIONAL INSURED PER ATTACHED CS809.

CERTIFICATE HOLDER

MARION COUNTY
ATTN: ELYN LYON
100 HIGH STREET
SALEM, OR 97302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Sharon Sever

POLICY NUMBER: CO6 11-85-82

COMMERCIAL GENERAL LIABILITY
CS 809 (2-95)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - VICARIOUS LIABILITY ONLY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART**SCHEDULE**

MARION COUNTY

Name of Person or Organization: 100 HIGH STREET
SALEM, OR 97302

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization (called "additional insured") shown in the Schedule but only with respect to liability arising out of:
 - A. Your ongoing operations performed for the additional insured(s) at the location designated above, or
 - B. Acts or omissions of the additional insured(s) in connection with their general supervision of such operations.
2. With respect to the insurance afforded the additional insured, the following additional provisions apply:
 - A. Exclusions b., j., k, l, and n, under COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) do not apply.
 - B. Additional Exclusions. This insurance does not apply to:
 - (1) "Bodily injury" or "property damage" for which the additional insured(s) are obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the additional insured(s) would have in the absence of the contract or agreement.
 - (2) "Bodily injury" or "property damage" occurring after:
 - (a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance, or repairs to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
 - (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
 - (3) "Bodily injury" or "property damage" arising out of any act or omission of the additional insured(s) or any of their employees, other than the general supervision by the additional insured(s) of your ongoing operations performed for the additional insured(s).
 - (4) "Property damage" to:
 - (a) Property owned, used or occupied by or rented to the additional insured(s);
 - (b) Property in the care, custody, or control of the additional insured(s) or over which the additional insured(s) are for any purpose exercising physical control; or
 - (c) Any work, including materials, parts or equipment furnished in connection with such work, which is performed for the additional insured(s) by you.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

CERTIFICATE OF INSURANCE

COMPANY:

SAIF Corporation
Salem Office
400 High Street
Salem, OR 97312

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INSURED:

Pence/Kelly Construction Inc
2747 Pence Lp SE
Salem, OR 97302

RECEIVED
SEP 10 1998

SAIF MANAGEMENT

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FOR THE POLICY PERIOD INDICATED. THE INSURANCE AFFORDED BY THE POLICY DESCRIBED
HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICY.

POLICY NO.	POLICY EFF DATE	POLICY EXP DATE	LIABILITY LIMITS
810215	10/01/1998	09/30/1999	(in thousands)

WORKERS' COMPENSATION**STATUTORY**

\$500	(each accident)
\$500	(each employee)
\$500	(Disease, Policy)

OTHER COVERAGE AFFORDED:**DESCRIPTION OF OPERATIONS/LOCATIONS/SPECIAL ITEMS:****CANCELLATION:**

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ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE:

Paul A. Brown

CERTIFICATE HOLDER:

Marion County *gls - CHS*
100 High Street, Rm #5320
Salem, OR 97305

Issue Date (September 3, 1998)

MICPER

CERTIFICATE OF INSURANCE

COMPANY:

SAIF Corporation
Salem Office
400 High Street
Salem, OR 97312

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INSURED:

Pence/kelly Construction Inc
2747 Pence Lp SE
Salem, OR 97302

RECEIVED**DEC 30 1997****RISK MANAGEMENT**

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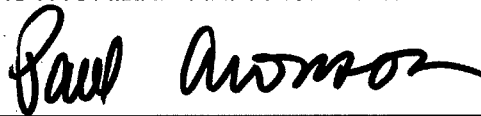
POLICY NO.	POLICY EFF DATE	POLICY EXP DATE	LIABILITY LIMITS
810215	10/01/1997	09/30/1998	(in thousands)

WORKERS' COMPENSATION**STATUTORY**

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\$500 (each employee)
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ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE:**CERTIFICATE HOLDER:**

Marion County
100 High St. Rm. 5320
Salem, OR 97305

Issue Date (December 23, 1997)



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

03/31/98

PRODUCER

A.G. Sadowski Company
1395 Liberty Street S.E.

Salem, Or 97302
(503) 362-2711
FAX: 503-362-2837

INSURED

Pence/Kelly Construction, Inc.
OR. REG. #63435
2747 PENCE LOOP S. E.
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COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** RELIANCE INSURANCE COMPANY
COMPANY LETTER **B** RELIANCE INSURANCE COMPANY
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

RECEIVED

APR 8 1998

COVERAGES

RISK MANAGEMENT

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	PQ8622426	04/01/98	04/01/99	GENERAL AGGREGATE \$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$1,000,000
	<input checked="" type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
A	AUTOMOBILE LIABILITY	PQ8622426	04/01/98	04/01/99	MED. EXPENSE (Anyone/person) \$ 5,000
	<input checked="" type="checkbox"/> ANY AUTO				COMBINED SINGLE LIMIT \$1,000,000
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE \$
B	EXCESS LIABILITY	QU8622426	04/01/98	04/01/99	EACH OCCURRENCE \$4,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$4,000,000
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		/ /	/ /	STATUTORY LIMITS
					EACH ACCIDENT \$
	OTHER		/ /	/ /	DISEASE--POLICY LIMIT \$
					DISEASE--EACH EMPLOYEE \$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

VERIFICATION OF INSURANCE

CERTIFICATE HOLDER IS ADDITIONAL INSURED PER ATTACHED ENDORSEMENT.

CERTIFICATE HOLDER

MARION COUNTY
ATTN: ELYN LYON
100 HIGH STREET
SALEM, OR 97302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE